

Message Text

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ORIGIN AF-08

INFO OCT-01 ISO-00 EUR-12 CAB-02 CIAE-00 COME-00 DODE-00
DOTE-00 EB-08 INR-07 NSAE-00 FAA-00 TRSE-00 PA-01
PRS-01 SP-02 INRE-00 SSO-00 USIE-00 /042 R

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APPROVED BY AF:WESCHAUFEELE
AF/E:RSPOST
AF:DBOLEN

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O 150232Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY TANANARIVE IMMEDIATE

C O N F I D E N T I A L STATE 057075

E.O. 11652: GDS

TAGS: PFOR, MA, US

SUBJECT: PROPOSED SALE OF HERCULES AIRCRAFT TO MADAGASCAR

REF: TANANARIVE 468

1. AFTER AF/E CONVEYED TO LOCKHEED REFTEL INFO THAT GDRM DROPPING NEGOTIATIONS FOR TWO L-100'S, LOCKHEED REQUESTED MEETING WITH DEPTOFFS. WASHINGTON REP MONRO AND SALES MANAGER FOR MID-EAST AND AFRICA, NED RIDINGS, CALLED MARCH 14 IN AF/E TO EXPRESS CONCERN THAT LOCKHEED MAY LOSE POTENTIAL SALE. LOCKHEED STRONGLY INTIMATED THAT SALE MIGHT WELL GO THROUGH IF EXPORT LICENSE ISSUED. AT MINIMUM THEY FELT THAT ONLY BY CONFRONTING GDRM WITH APPROVED EXPORT LICENSE COULD GDRM'S INTEREST IN PURCHASE BE ADEQUATELY TESTED. LOCKHEED ALSO INDICATED THAT FINANCING OF THE SALE WOULD NOT BE A STUMBLING BLOCK ON ITS SIDE SINCE IT HAD WAYS OF PROCURING COMMERCIAL BANK
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FINANCING IF EXIM NOT AVAILABLE.

2. DEPT RESPONDED THAT WHILE WE ALSO HOPED THAT SALE MIGHT EVENTUALLY GO THROUGH, WE HAD READ RECENT INDICATIONS AS SHOWING A GDRM LOSS OF INTEREST IN PURCHASING A RATHER EXPENSIVE AIRCRAFT AT A TIME WHEN ITS FOREIGN EXCHANGE HOLDINGS WERE RATHER LOW. NOTING THAT GDRM HAD NEVER MADE

REQUEST AT EXIM, DEPTOFFS SUGGESTED THAT PURCHASE MAY NOT HAVE BEEN FULLY CLEARED WITHIN GDRM AND WHEN CLEARANCE SOUGHT FROM FINANCE MINISTRY, REACTION WAS NEGATIVE. DEPT AGREED TO QUERY EMBASSY TANANARIVE FOR UPDATE OF SITUATION AS WELL AS ANY OTHER NEW INSIGHTS INTO SITUATION.

3. LOCKHEED PRESSED ON THE MATTER OF EXPORT LICENSE APPROVAL, BUT DEPT ANSWERED THAT OUR RELATIONS WITH GDRM STILL HAVE NOT IMPROVED TO A NORMAL STATE JUSTIFYING PROCEEDING WITH NORMAL INITIATIVES. WHILE WE HAD HEARD STATEMENTS FROM SEVERAL INDIVIDUALS INSIDE GDRM THAT RELATIONS SHOULD BECOME FRIENDLIER, OUTSTANDING ISSUES SUCH AS NASA STATION SEIZURE AND OIL COMPANIES' EXPROPRIATIONS DID NOT SEEM TO HAVE PROGRESSED MUCH SINCE LAST YEAR.

4. ACTION REQUESTED: WE WOULD APPRECIATE YOUR CURRENT ASSESSMENT OF THE STATE OF US-MALAGASY RELATIONS, FOCUSING ON THE PROPOSED LOCKHEED SALE BUT NOT EXCLUDING OTHER MATTERS. SPECIFICALLY, WE ARE INTERESTED IN YOUR VIEWS ON WHETHER IN FACT THE GDRM WOULD BE LIKELY TO REVERSE ITS DECISION TO LET THE L-100 NEGOTIATIONS DROP SHOULD AN EXPORT LICENSE BE FORTHCOMING. HAS THE FINANCE MINISTRY DETERMINED THAT THE PLANES ARE TOO COSTLY AND HAS IT CONVINCED DEFENSE AND OTHER MINISTRIES OF THIS, OR DO YOU BELIEVE THAT THERE ARE STILL CONFLICTING OPINIONS ON THIS PROPOSED SALE INSIDE THE GDRM? DO YOU SEE ANY CONNECTION BETWEEN GDRM LOSS OF INTEREST IN THIS SALE AND ATTITUDE ON THE NASA ISSUE OF SOLOFOSON, WHO

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CHANGED FROM APPARENT READINESS TO COMPROMISE TO SUGGESTION THAT WE LEAVE ALL THE NASA EQUIPMENT TO THE GDRM AND NOT SEND OUT AN INSPECTION TEAM?

5. WE CAN UNDERSTAND PROBLEM CITED TANA 475 RE DIFFICULTIES IN MEETING WITH HIGH-RANKING OFFICIALS DUE TO GDRM PREOCCUPATION WITH OTHER MATTERS. NEVERTHELESS, WE LOOK FORWARD TO PICTURE YOU CAN PIECE TOGETHER FROM SOURCES NOW AVAILABLE TO YOU.

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Message Attributes

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Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 15-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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